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U.S. and Singapore to Launch Negotiations for a Free Trade Agreement

President Clinton and Prime Minister Goh Chok Tong of Singapore, meeting in Brunei on the final day of the annual Asia-Pacific Economic Cooperation (APEC) summit, today announced the launch of negotiations for a U.S.-Singapore Free Trade Agreement (FTA).

“This agreement will both develop and strengthen one of the Pacific’s largest trading relationships, and bring us a step closer to the realization of APEC’s vision of ‘free and open trade’ throughout the Pacific,” said United States Trade Representative Charlene Barshefsky. “It will remove the remaining barriers to trade between our countries, and help us take full advantage of the new opportunities unfolding through communications, the Internet and high technology. It will also demonstrate again the Clinton Administration’s commitment to accompany open markets with labor and environmental provisions.”

The FTA will be only the fifth Free Trade Agreement the U.S. has signed, and the first with an Asian country. Modeled after the recently signed U.S.-Jordan FTA, but reflecting the substantial volume of trade between the two nations, the agreement will eliminate tariffs on all goods over time; cover substantially all services sectors, help to develop electronic commerce, protect intellectual property rights, and include safeguards and dispute settlement mechanisms. Like the Jordan FTA, it will include provisions on labor and the environment.

“President Clinton and Prime Minister Goh have taken a step of major economic potential and strategic significance,” said Ambassador Barshefsky. “As we realize the commercial benefits of an expanding trade relationship, we are also setting an example of progress toward the long-term vision of an open, prosperous and stable Pacific region.”

The agreement is expected to have significant commercial benefits, as Singapore is already the United States' largest trading partner in Southeast Asia, with two-way trade totaling \$34.4 billion in 1999. The agreement will represent the new economy, focusing on removing Singapore restrictions on a wide range of services, including high technology sectors such as engineering, medical, information technology, environmental, legal, financial education and distribution. Furthermore, the agreement can serve as a significant step toward realization of APEC's "Bogor Vision," under which APEC's 21 members are working toward "free and open trade in the Pacific" by 2010 for developed countries, and 2020 for developing countries.

Background:

Singapore is the United States' 10th largest goods export market, totaling \$16.2 billion in exports in 1999. The five largest export categories were: electrical machinery, machinery, aircraft and parts, optical and medical instruments, and plastic. The United States had a services trade surplus with Singapore of \$2 billion in 1999.

Singapore is the 12th largest source for goods imported into the United States, totaling \$18.2 billion in 1999, led by machinery, electrical machinery, special other repaired products, optical and medical instruments and organic chemicals.